

AMENDED IN SENATE APRIL 28, 2003

SENATE BILL

No. 756

Introduced by Senator Denham

(Coauthor: Senator Poochigian)

(Coauthors: Assembly Members Aghazarian and Cogdill)

February 21, 2003

An act to add Section 96.11 to the Revenue and Taxation Code, relating to local government finance, *making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 756, as amended, Denham. Local government finance: ~~property tax revenue allocations.~~

~~Existing~~

(1) *Existing* property tax law requires the county auditor, in each fiscal year, to allocate property tax revenues to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

This bill would, for purposes of property tax revenue allocations for the 2004–05 fiscal year and each fiscal year thereafter, require the county auditor for any county for which a negative sum was calculated pursuant to a specified former statute, in reducing the amount of property tax revenue otherwise allocated to the county by an amount attributable to that negative sum, to apply a reduction amount equal to the reduction amount determined for the 2003–04 fiscal year. By

imposing new duties in the annual allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program.

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(2) *The Budget Act of 2002 provides for payment to counties for costs of homicide trials.*

This bill would provide that, notwithstanding any other provision of law, funds appropriated by the Budget Act of 2003 shall be available for reimbursement of 100% of the costs incurred by the County of Stanislaus for the homicide prosecution of Scott Peterson, and that the Legislature also shall make funds available to the City of Modesto for reimbursement of 100% of its costs incurred in connection with this prosecution.

(3) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~ ^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 96.11 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 96.11. Notwithstanding any other provision of this article, for
- 4 purposes of property tax revenue allocations for the 2004–05 fiscal
- 5 year and each fiscal year thereafter, the county auditor of any
- 6 county for which a negative sum was calculated pursuant to
- 7 subdivision (a) of former Section 97.75 as that section read on
- 8 September 19, 1983, shall, in reducing the amount of property tax
- 9 revenue that otherwise would be allocated to the county by an
- 10 amount attributable to that negative sum, apply a reduction amount
- 11 that is equal to the reduction amount that was determined for the
- 12 2003–04 fiscal year.
- 13 SEC. 2. (a) The Legislature hereby finds and declares that the
- 14 passage of Senate Bill 154 of the 1977–78 Regular Session of the
- 15 Legislature and Assembly Bill 8 of the 1979–80 Regular Session

1 of the Legislature authorized the transfer of funds from the state
2 to the counties as part of a so-called “bail out for the counties”
3 following the passage of Proposition 13.

4 (b) The Legislature further finds and declares that while 52 of
5 the state’s 58 counties received money from the state, six counties
6 actually lost money or were subject to a negative sum as a result
7 of Senate Bill 154 and Assembly Bill 8.

8 (c) The Legislature further finds and declares that the formulae
9 in Senate Bill 154 and Assembly Bill 8 that caused these six
10 counties to lose money may have been valid in 1978, but the
11 peculiarities that existed then do not justify the continuation of the
12 negative sum formula.

13 (d) The Legislature further finds and declares that counties
14 subject to the negative sum formula not only continue to lose
15 money, but their losses increase each fiscal year.

16 (e) Therefore, the Legislature finds and declares that no further
17 increase in the negative sum computed for those counties is
18 required and that the negative sum calculated for each affected
19 county for the 2003–04 fiscal year shall constitute the full amount
20 due from each negative sum county pursuant to subdivision (a) of
21 former Section 97.75 of the Revenue and Taxation Code as that
22 section read on September 19, 1983.

23 *SEC. 3. Notwithstanding any other provision of law, funds*
24 *appropriated by Item 8180-101-0001 of the Budget Act of 2003*
25 *shall be available for reimbursement of 100 percent of the costs*
26 *incurred by the County of Stanislaus for the homicide prosecution*
27 *of Scott Peterson. The Legislature also shall make funds available*
28 *to the City of Modesto for reimbursement of 100 percent of its costs*
29 *incurred in connection with this prosecution.*

30 *SEC. 4. No reimbursement is required by this act pursuant to*
31 *Section 6 of Article XIII B of the California Constitution because*
32 *this act provides for offsetting savings to local agencies or school*
33 *districts that result in no net costs to the local agencies or school*
34 *districts, within the meaning of Section 17556 of the Government*
35 *Code.*

36 *SEC. 5. This act is an urgency statute necessary for the*
37 *immediate preservation of the public peace, health, or safety*
38 *within the meaning of Article IV of the Constitution and shall go*
39 *into immediate effect. The facts constituting the necessity are:*

- 1 *In order to provide counties relief from the current fiscal crisis*
- 2 *at the earliest possible time, it is necessary that this act take effect*
- 3 *immediately.*

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